

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Notice of Market-Dominant  
Price Adjustment

Docket No. R2016-2

PUBLIC REPRESENTATIVE COMMENTS

(December 7, 2015)

I. INTRODUCTION

The Public Representative respectfully submits the following comments in response to Order No. 2824.<sup>1</sup> The comments reflect the Public Representative's position that the Postal Service's planned promotions comply with 39 U.S.C. § 3622 and 39 C.F.R. part 3010.

II. BACKGROUND

On November 16, 2015, the Postal Service filed a notice seeking approval for five promotions for the periods and mail classes indicated below.<sup>2</sup> The Postal Service asserts that these five promotions are continuations of the four promotions approved by the Commission in Docket No. R2015-4.<sup>3</sup>

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<sup>1</sup> Notice and Order on Temporary Promotions and Classification Changes for Market Dominant Products, November 18, 2015 (Order No. 2824).

<sup>2</sup> United States Postal Service Notice of Market-Dominant Price Adjustment, November 16, 2015, at 3-6 (Notice).

<sup>3</sup> *Id.* at 2. See also Docket No. R2015-4, Order No. 2365, Order on Price Adjustments for First-Class Mail Products and Related Mail Classification Changes, February 24, 2015; Docket No. R2015-4, Order No. 2472, Order on Revised Price Adjustments for Standard Mail, Periodicals, and Package Services Products and Related Mail Classification Changes, May 7, 2015.

Promotion	Time Period	Class	R2015-4 Equivalent
Emerging and Advanced Technology/Video in Print Promotion	March–August 2016	First-Class Mail; Standard Mail	Advanced and Emerging Technology Promotion
Tactile, Sensory, and Interactive Mailpiece Engagement Promotion	March–August 2016	Standard Mail	Advanced and Emerging Technology Promotion
Earned Value Reply Mail Promotion	April–June 2016	First-Class Mail; Standard Mail	Earned Value Reply Mail Promotion
Mobile Shopping Promotion	July–December 2016	Standard Mail	Mail Drives Mobile Engagement Promotion
Personalized Color Transpromo Promotion	July–December 2016	First-Class Mail	Color Transpromo Promotion

### III. COMMENTS

*Price cap compliance.* The Postal Service asserts that there is no change in its unused price adjustment authority because this price adjustment is limited to the continuation of promotions offered in CY 2015. Notice at 6. In other words, the Postal Service claims that its proposal complies with the requirements of 39 U.S.C. § 3622(d) because no inflation-based price adjustment authority is affected by the continuation of these promotions.

The Postal Service provides two library references,<sup>4</sup> which it asserts demonstrate that the percentage change in prices for First-Class Mail and Standard Mail are both 0.0 percent, and therefore, no pricing authority is used. The Public Representative has reviewed the Postal Service's library references and agrees with the Postal Service's calculations reflecting the effect of the rate incentives for purposes of the price cap calculation.

*Conformance with other objectives and factors in 39 U.S.C. § 3622.* The Postal Service also discusses how its proposed promotions help achieve the objectives listed in 39

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<sup>4</sup> Library Reference USPS-LR-R2016-2/1, November 16, 2015, and Library Reference USPS-LR-R2016-2/2, November 16, 2015.

U.S.C. § 3622(b) and properly take into account the factors listed in 39 U.S.C. § 3622(c). Notice at 9. The Postal Service argues that its proposed promotional pricing achieves two objectives (pricing flexibility and maintaining financial stability) and two factors (enhancing the value of mail and exercising pricing flexibility to encourage increased mail volume). *Id.* at 9-12.

The Public Representative supports the Postal Service's use of its pricing flexibility to strengthen the financial position of the Postal Service by increasing the value of mail and increasing mail volume. See, e.g., 39 U.S.C. §§ 3622(b)(4), (b)(5), (c)(1), and (c)(7). The Public Representative also commends the Postal Service for providing advance notice of its proposed promotions for CY 2016, which should enable interested mailers to fully participate in the promotions.

*Mail Classification Schedule.* The Postal Service also provides a revised draft of the market dominant section of the Mail Classification Schedule (MCS). Notice, Attachment A. The Public Representative has reviewed and agrees with the Postal Service's proposed changes to the MCS.

#### IV. CONCLUSION

The Public Representative respectfully submits the comments above for the Commission's consideration. The Public Representative thanks Nina Yeh, a rate analyst with the Commission's Office of Accountability and Compliance, for her assistance with the preparation of these comments.

Respectfully submitted,

/s/

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